

Ordinance No. 121895

Council Bill No. 115337

AN ORDINANCE relating to the City Light Department, removing a restriction that limits spending of its Purchased Power Budget Control Level appropriation in the 2005 Adopted Budget.

CF No. \_\_\_\_\_

Date Introduced:	<u>8-1-05</u>	
Date 1st Referred:	<u>8-1-05</u>	
Date Re - Referred:	To: (committee) <u>Energy &amp; Environmental Policy</u>	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: <u>8-0</u>	
Date Presented to Mayor:	Date Approved: <u>8/22/05</u>	
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoes by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: *Jan Green*  
Councilmember

Committee Action:

8/10/05 DO PASS-JG, JC, DD

8-15-05 Passed 8-0 (Absent: Licata)

This file is complete and ready for presentation to Full Council. Committee: \_\_\_\_\_  
(initial/date)

*Law Department*

Law Dept. Review      OMP Review      City Clerk Review      Electronic Copy Loaded      Indexed

ORDINANCE 121895

AN ORDINANCE relating to the City Light Department, removing a restriction that limits spending of its Purchased Power Budget Control Level appropriation in the 2005 Adopted Budget.

WHEREAS, in adopting the 2005 Budget, the City Council enacted Budget Proviso #060-1-A-3, which limits the spending of the appropriation for 2005 for City Light's Purchased Power Budget Control Level to no more than \$260 million without seeking the Council's approval through ordinance; and

WHEREAS, the Council expressed its desire to review the recommendations of City Light's consultant, Pace Global Consulting Group, prior to lifting Budget Proviso #060-1-A3; and

WHEREAS, City Light is currently undergoing a major organizational transformation that will include implementing organizational changes and practices consistent with Pace Global Consulting Group's risk management recommendations; and

WHEREAS, City Light executives briefed the City Council's Energy and Environmental Policy Committee on City Light's plan of action pertaining to its risk management practices on July 13, 2005; and

WHEREAS, City Council has determined that the budget proviso limiting spending of the appropriation for City Light's Purchased Power Budget Control Level should be lifted prior to October 1, 2005; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section1. The restriction imposed by the Green Sheet cited below is removed:

Department	Green Sheet #	Proviso Description
City Light	#060-1-A-3	Restricts to \$260 million the spending of the Purchased Power Budget Control Level until authorized by a future ordinance




Consistent with the rate policies established by Resolution 28378, the appropriation for this Budget Control level is not available for transfer to another purpose absent a future ordinance, notwithstanding Chapter 5.08 of the Seattle Municipal Code.

Section 2. Any act consistent with the authority of this ordinance taken after Council passage of this ordinance is hereby ratified and confirmed.

Section 3. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

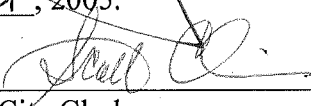
Passed by the City Council the 15<sup>th</sup> day of August, 2005, and signed by me in open session in authentication of its passage this 15<sup>th</sup> day of August, 2005.

  
\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this 22<sup>nd</sup> day of August, 2005.

  
\_\_\_\_\_  
Gregory J. Nickels, Mayor

Filed by me this 23<sup>rd</sup> day of August, 2005.

  
\_\_\_\_\_  
City Clerk

(Seal)

## **FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
City Light	Cindy Wright 6-4533	Thomas Dunlap 6-9120

### **Legislation Title:**

AN ORDINANCE relating to the City Light Department, removing a restriction that limits spending of its Purchased Power Budget Control Level appropriation in the 2005 Adopted Budget.

- **Summary of the Legislation:** The proposed ordinance will lift the budget proviso (Green Sheet action #060-1-A-3) that limits spending of City Light's Purchased Power Budget Control Level to no more than \$260 million.
- **Background:** In adopting the 2005 budget, the City Council enacted a number of budget provisos that imposed restrictions on certain budget control levels. One of these provisos limited spending for 2005 for City Light's Purchased Power Budget Control Level to no more than \$260 million until authorized by future ordinance. The City Council's Energy and Environmental Policy Committee had earlier expressed an interest (Green Sheet action #060-1-A-2) in reviewing the recommendations of Pace Global Consulting Group, along with City Light's plan of action with respect to implementation of improved risk management practices, including organizational realignment. City Light is currently undergoing an organizational realignment that is not expected to be completed for some months. City Light executives began briefing Council staff and Committee members on City Light's risk management issues and plan of action in May; discussions are expected to continue into July.
- *Please check one of the following:*

- ☒ **This legislation has financial implications.** This legislation does not change City Light's 2005 budget appropriation. Failure to restore City Light's 2005 Purchased Power Budget spending authority in a timely manner, however, could compromise the Utility's ability to meet its contractual obligations.

**What is the financial cost of not implementing the legislation?** If this legislation is not implemented, City Light could be expected to reach the \$260 limit of its Purchased Power Budget spending authority around the end of September 2005. Should this happen, City Light will not have budget authority to pay its wholesale power and transmission service bills from dozens of utilities to which City Light is contractually obligated under many long- and short-term contracts.

- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** There are no alternatives to this proposal. City Light is contractually obligated for most of its Purchased Power expenses under long-term contracts. Short-term power purchases are also frequently necessary to keep the electric system running in a reliable manner (i.e., keep the lights on at all times).



# City of Seattle

Gregory J. Nickels, Mayor

## Office of the Mayor

July 19, 2005

Honorable Jan Drago  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Drago:

The attached proposed Council Bill would lift proviso restrictions attached to the use of funds appropriated for City Light's Purchased Power Budget Control Level.

In adopting the 2005 Budget, the City Council enacted a number of budget provisos that imposed restrictions on certain Budget Control Levels. This proposed Council Bill is submitted to remove the proviso that limits spending of City Light's Purchased Power Budget Control Level appropriations. More detail regarding this proposal is provided in the fiscal note that accompanies the legislation.

Thank you for consideration of this legislation. Should you have questions, please contact Cindy Wright, Manager, City Light Wholesale Contracts Unit, at 386-4533.

Sincerely,

A handwritten signature in dark ink, appearing to read "Greg Nickels", written over a light blue circular stamp.

GREG NICKELS  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



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**STATE OF WASHINGTON – KING COUNTY**

--SS.

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189424  
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:121892-121901

was published on

08/25/05

The amount of the fee charged for the foregoing publication is the sum of \$ 92.75, which amount has been paid in full.



Affidavit of Publication

*[Signature]*

Subscribed and sworn to before me on

08/25/05

*[Signature]*

Notary public for the State of Washington,  
residing in Seattle

## State of Washington, King County

### City of Seattle

#### TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on August 15, 2005, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

#### ORDINANCE NO. 121891

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

#### ORDINANCE NO. 121899

AN ORDINANCE authorizing Seattle Public Utilities to acquire by negotiation or condemnation land and all improvements thereon situated on Lots 1,2,3,4,5 and 6 of Block 71 and Lots 6 and 7 of Block 62, all in the Lake Union Addition to Seattle, Washington and generally bordered by 34th Street North, 36th Street North, Carr Place North and Densmore Avenue North, for solid waste system and other utility and general municipal purposes.

#### ORDINANCE NO. 121898

AN ORDINANCE relating to the City Light Department; authorizing execution of Amendment One to the Power Purchase Agreement with the City of Klamath Falls, Oregon, allowing City Light to schedule operation of the project on a daily basis.

#### ORDINANCE NO. 121896

AN ORDINANCE relating to transferable development rights; authorizing the sale by the City of transferable development rights acquired from a low-income housing site to a developer of a project at 1400 6th Avenue; authorizing related agreements and deeds; and ratifying and confirming prior acts.

#### ORDINANCE NO. 121895

AN ORDINANCE relating to the City Light Department, removing a restriction that limits spending of its Purchased Power Budget Control Level appropriation in the 2005 Adopted Budget.

#### ORDINANCE NO. 121894

AN ORDINANCE relating to Seattle Department of Transportation; granting a non-exclusive easement over and across real property in King County, Washington, for the installation, operation, and maintenance of a railroad spur track in connection with the State Route -519 Phase I Project.

#### ORDINANCE NO. 121892

AN ORDINANCE relating to the Purchase and Sale Agreement (P&SA) between the City of Seattle and City Investors Inc. as authorized in Ordinance Number 120411 and authorizing the amendment of section 6.5 of said P&SA extending the deadline for development application.

Publication ordered by JUDITH PIPPIN, City Clerk.

Date of publication in the Seattle Daily Journal of Commerce, August 25, 2005.

8/25(189424)